# GOVERNMENT OF INDIA
# SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
# LOK SABHA

UNSTARRED QUESTION NO:3717
ANSWERED ON:16.08.2000
PROMOTION OF SSI IN NER SIKKIM
PATY RIPPLE KYNDIAH

**Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:**

(a) the steps taken by the Government to promote Small Scale Agro and Rural Industries in North East Region and Sikkim during the last three years, scheme-wise and State-wise;

(b) the annual funds made available to all the States for the above industries during the last three years, State-wise and Scheme-wise;

(c) whether a huge amount remained unspent on this account; and

(d) if so, the details thereof and the steps taken for full utilisation of funds?

## Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a): Besides the ongoing programmes/schemes implemented by Small Industries Devlopment Organisation, National Small Industries Corporation, Small Industries Development Bank of India, etc. under the New Industrial Policy introduced for the entire North East Region including Sikkim various steps have been taken for promotion of small scale, Agro & Rural Industries in NE Region and Sikkim during the last three years. Some of the important steps are as under:

i) Funding pattern (sanction of funds) for Integrated Infrastructural Development (IID) Scheme has been changed from 2:3 between Government of India and SIDBI to 4:1. The Government`s share is in the form of grant.
ii) IID Centres and Growth Centres become tax-free zones for income tax and excise duty for a period of 10 years. Certain high growth potential industries have also been given the tax-free status in the North East.
iii) Capital Investment Subsidy @ 15% of the investment in Plant & Machinery subject to a ceiling of Rs. 30.00 lakhs is allowed under the Capital Investment Subsidy Scheme.
iv) An Interest Subsidy@ 3% on the working capital loan is provided to the new units in the NE Region for a period of 10 years from the commencement of production.
v) Comprehensive Insurance Scheme for Industrial Units set up after 24.12.1997 has been put in place.
vi) The validity of Transport Subsidy Scheme 1971 has been extended for a period of 7 years up to 31.3.2007.
vii) Specific relaxation has been provided for the NE Region, including Sikkim, under the Prime Minister`s Rozgar Yojana, which is aimed at providing self employment to educated unemployed youth. This includes, age relaxation (40 years under general category as compared to 35 years in other parts of the country), higher family income limit (Rs. 40,000/- per annum as compared to Rs. 24,000/- in other parts of the country) and higher subsidy component (up to maximum of Rs. 15,000/- as compared to a ceiling of Rs. 7,500/- (in other parts of the country).
viii) Entrepreneurship Development Programmes and management Development Programme courses are conducted regularly by the offices of Small Industries Development Organisation located in North Eastern Region without charging any participation fees from the participants from North Eastern Region.

(b): The funds are allocated Scheme-wise and not State-wise.However, the funds allocated for promotion of Small Scale, Agro and Rural Industries all over the country including NE Region and Sikkim for the year 1997-98, 1998-99 and 1999-2000 were Rs. 1001.52 crores, Rs. 1017.75 crores and Rs. 992.58 crores, respectively.

(c) & (d): As per the directive of the Government at least 10 per cent of the total annual Plan outlays are to be spent for North Eastern States and any shortfall thereof is to be credited to `Non-lapsable Pool` handled by the Planning Commission.The funds from this Pool are provided for the Projects/Schemes implemented in North Eastern States.